

## **Financial Statements**

### **Portonave S/A - Terminais Portuários de Navegantes**

December 31, 2015  
with Independent Auditor's Report on financial statements

# Portonave S/A - Terminais Portuários de Navegantes

## Financial statements

December 31, 2015 and 2014

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Edifício Califórnia Center  
Rua Dr. Amadeu da Luz, 100  
8º Andar - Conj. 801 - Centro  
89010-160 - Blumenau, SC, Brasil  
Tel: (5547) 2111 - 0700  
Fax: (5547) 2111 - 0719  
ey.com.br

**A free translation from Portuguese into English of Independent Auditor's Report on financial statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil**

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## **Independent auditor's report on financial statements**

The Shareholders, Board of Directors and Officers  
**Portonave S/A - Terminais Portuários de Navegantes**  
Navegantes (SC)

We have audited the accompanying individual and consolidated financial statements of Portonave S/A - Terminais Portuários de Navegantes ("Company"), identified as Company and Consolidated, respectively, which comprise the balance sheet as at December 31, 2015, and the related income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting practices and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these individual and consolidated financial statements in accordance with accounting practices adopted in Brazil, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and international standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Company's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Portonave S/A - Terminais Portuários de Navegantes as at December 31, 2015, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

### **Other matters**

#### **Statements of value added**

We have also audited the individual and consolidated statements of value added (SVA) for the year ended December 31, 2015, prepared under the responsibility of the Company management, the presentation of which is required by Brazilian Corporation Law for publicly-held companies, but not required for privately-held entities. These statements have been subject to the same auditing procedures previously described and, in our opinion, are presented fairly, in all material respects, in relation to the overall financial statements.

Blumenau, February 11, 2016.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP015199/F-6



Luis Carlos de Souza  
Accountant CRC-1-SC021585/O-4



	Note	Company		Consolidated	
		12/31/2015	12/31/2014	12/31/2015	12/31/2014
Liabilities and equity					
Current liabilities					
Trade accounts payable	12	23,925	18,474	25,172	19,185
Debentures	13	51,620	23,332	51,620	23,332
Social and labor liabilities		9,309	12,270	11,126	14,984
Tax liabilities	14	4,729	12,169	5,654	14,100
Advance from customers		538	1,027	609	1,185
Related parties	15	9,373	46,834	3	4
Provision for maintenance of investment	9	2,589	3,990	-	-
Mandatory dividend	20.c	42,246	-	42,246	-
Total current liabilities		<b>144,329</b>	118,096	<b>136,430</b>	72,790
Noncurrent liabilities					
Trade accounts payable	12	-	2,748	-	2,748
Debentures	13	452,848	471,818	452,848	471,818
Income and social contribution taxes	16	314,781	336,911	314,781	336,911
Related parties	15	109	109	109	109
Provision for tax, civil and labor claims	17	12,672	10,510	13,115	10,910
Other liabilities		1,027	1,169	1,076	1,267
Total noncurrent liabilities		<b>781,437</b>	823,265	<b>781,929</b>	823,763
Equity					
Capital	20	66,116	66,116	66,116	66,116
Legal reserves		11,124	8,275	11,124	8,275
Special goodwill reserve		22,226	30,309	22,226	30,309
Equity adjustment		563,832	614,198	563,832	614,198
Additional dividends to proposed dividends		52,247	34,151	52,247	34,151
Total equity		<b>715,545</b>	753,049	<b>715,545</b>	753,049
Total liabilities and equity		<b>1,641,311</b>	1,694,410	<b>1,633,904</b>	1,649,602

See accompanying notes.

## Portonave S/A - Terminais Portuários de Navegantes

### Income statements

Years ended December 31, 2015 and 2014

(In thousands of reais, except for earnings per share)

	Note	Company		Consolidated	
		12/31/2015	12/31/2014	12/31/2015	12/31/2014
Operating revenue	21				
Services rendered		<b>362,781</b>	342,078	<b>397,207</b>	414,547
Products sold		-	-	-	10,622
Net operating revenue		<b>362,781</b>	342,078	<b>397,207</b>	425,169
Cost of sales					
Port terminal operation/sale of goods		<b>(42,575)</b>	(38,309)	<b>(50,433)</b>	(56,402)
Personnel cost		<b>(54,215)</b>	(50,191)	<b>(61,959)</b>	(58,539)
Depreciation of property and equipment		<b>(27,400)</b>	(24,983)	<b>(27,413)</b>	(24,987)
Depreciation of surplus value of property and equipment		<b>(74,939)</b>	(73,001)	<b>(74,939)</b>	(73,001)
		<b>(199,129)</b>	(186,484)	<b>(214,744)</b>	(212,929)
Gross profit		<b>163,652</b>	155,594	<b>182,463</b>	212,240
Operating expenses					
General and administrative expenses		<b>(26,520)</b>	(21,656)	<b>(27,769)</b>	(23,021)
Key management personnel compensation	18	<b>(2,672)</b>	(2,864)	<b>(3,749)</b>	(4,497)
Personnel expenses		<b>(11,051)</b>	(12,021)	<b>(15,412)</b>	(16,375)
Depreciation/amortization		<b>(6,736)</b>	(6,082)	<b>(6,736)</b>	(6,082)
Depreciation/amortization of surplus value		<b>(1,375)</b>	(1,735)	<b>(1,375)</b>	(1,735)
Equity pickup	9	<b>9,066</b>	42,216	-	-
Other operating income (expenses)	22	<b>25,340</b>	(27,080)	<b>25,805</b>	(26,547)
		<b>(13,948)</b>	(29,222)	<b>(29,236)</b>	(78,257)
Operating income		<b>149,704</b>	126,372	<b>153,227</b>	133,983
Financial income (expenses)	23				
Financial income		<b>5,822</b>	6,152	<b>6,234</b>	6,961
Financial expenses		<b>(85,024)</b>	(50,550)	<b>(85,156)</b>	(51,190)
Foreign exchange variation, net		<b>877</b>	1,009	<b>877</b>	1,130
		<b>(78,325)</b>	(43,389)	<b>(78,045)</b>	(43,099)
Income before income and social contribution taxes		<b>71,379</b>	82,983	<b>75,182</b>	90,883
Income and social contribution taxes	16.b				
Current		<b>(28,450)</b>	(34,498)	<b>(31,965)</b>	(42,399)
Deferred		<b>14,047</b>	23,396	<b>13,759</b>	23,396
		<b>(14,403)</b>	(11,102)	<b>(18,206)</b>	(19,003)
Net income for the year		<b>56,976</b>	71,881	<b>56,976</b>	71,881
Number of shares (in thousands)		<b>24,204</b>	24,204		
Basic and diluted earnings per share (in reais)		<b>2.3540</b>	2.9698		

See accompanying notes.

## Portonave S/A - Terminais Portuários de Navegantes

Statements of comprehensive income  
Years ended December 31, 2015 and 2014  
(In thousands of reais)

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
P&L for the year	<b>56,976</b>	71,881	<b>56,976</b>	71,881
Other comprehensive income	-	-	-	-
Total comprehensive income	<b>56,976</b>	71,881	<b>56,976</b>	71,881

See accompanying notes.



## Portonave S/A - Terminais Portuários de Navegantes

Statements of changes in equity  
Years ended December 31, 2015 and 2014  
(In thousands of reais)

	Note	Capital	Income reserve - legal reserve	Proposed additional dividends	Retained earnings (accumulated losses)	Equity adjustment	Special goodwill reserve	Total
Balances as of December 31, 2013	20	66,116	4,682	53,588	-	675,824	38,392	838,602
Net income for the year		-	-	-	71,881	-	-	71,881
Dividend payment - P&L 2012		-	-	(53,588)	-	-	-	(53,588)
Set-up of legal reserve		-	3,593	-	(3,593)	-	-	-
Capital increase with special goodwill reserve		8,083	-	-	-	-	(8,083)	-
Capital reduction with realization of special goodwill reserve		(8,083)	-	-	-	-	-	(8,083)
Interim dividend payment		-	-	-	(95,763)	-	-	(95,763)
Realization of equity adjustment		-	-	-	61,626	(61,626)	-	-
Dividend proposed by management		-	-	34,151	(34,151)	-	-	-
<b>Balances as of December 31, 2014</b>		<b>66,116</b>	<b>8,275</b>	<b>34,151</b>	<b>-</b>	<b>614,198</b>	<b>30,309</b>	<b>753,049</b>
Net income for the year	20.d	-	-	-	56,976	-	-	56,976
Dividend payment - 2014		-	-	(34,151)	-	-	-	(34,151)
Set-up of legal reserve	20.b	-	2,849	-	(2,849)	-	-	-
Capital increase with special goodwill reserve	20.c	8,083	-	-	-	-	(8,083)	-
Capital reduction with realization of special goodwill reserve	20.c	(8,083)	-	-	-	-	-	(8,083)
Interim dividend payment	20.d	-	-	-	(10,000)	-	-	(10,000)
Realization of equity adjustment		-	-	-	50,366	(50,366)	-	-
Dividend proposed by management	20.d	-	-	52,247	(94,493)	-	-	(42,246)
<b>Balances as of December 31, 2015</b>		<b>66,116</b>	<b>11,124</b>	<b>52,247</b>	<b>-</b>	<b>563,832</b>	<b>22,226</b>	<b>715,545</b>

See accompanying notes.

## Portonave S/A - Terminais Portuários de Navegantes

### Cash flow statements

Years ended December 31, 2015 and 2014

(In thousands of reais)

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Cash flows from operating activities				
Net income for the year	<b>56,976</b>	71,881	<b>56,976</b>	71,881
Adjustments to reconcile net income to cash generated by operating activities:				
Deferred income and social contribution taxes	<b>(14,046)</b>	(23,396)	<b>(13,757)</b>	(23,396)
Depreciation and amortization	<b>110,450</b>	105,801	<b>110,464</b>	105,805
Property and equipment disposed of, net	<b>134</b>	26,848	<b>143</b>	26,863
Monetary restatement of loans and financing	-	-	-	207
Monetary restatement of related party agreements	<b>(1,579)</b>	(1,136)	<b>(1,579)</b>	(1,136)
Changes in allowance for doubtful accounts	<b>1,371</b>	-	<b>1,371</b>	-
Interest on debentures	<b>91,787</b>	40,003	<b>91,787</b>	40,003
Provision for contingencies, net of write-offs and reversals	<b>2,161</b>	7,223	<b>2,213</b>	7,553
Equity pickup	<b>(9,066)</b>	(42,216)	-	-
Allocation of deferred income	-	-	<b>(58)</b>	(58)
Changes in assets and liabilities				
(Increase) decrease in assets				
Trade accounts receivable	<b>(7,941)</b>	(7,388)	<b>(8,241)</b>	(1,766)
Related-party receivables	<b>1,123</b>	(6,423)	<b>1,123</b>	(6,423)
Taxes recoverable	<b>(9,831)</b>	(776)	<b>(9,651)</b>	(2,382)
Prepaid expenses and other receivables	<b>(7,691)</b>	(2,400)	<b>(7,739)</b>	(678)
Increase (decrease) in liabilities				
Trade accounts payable	<b>5,341</b>	(5,639)	<b>3,458</b>	(3,925)
Related-party payables, commercial transactions	<b>5,987</b>	45,165	<b>(2,459)</b>	6,974
Social and labor liabilities	<b>(2,964)</b>	2,302	<b>(3,156)</b>	2,355
Taxes, charges and contributions	<b>(7,440)</b>	9,571	<b>(8,459)</b>	8,111
Advances from customers and other payables	<b>(631)</b>	141	<b>1,116</b>	186
Net cash generated by (used in) operating activities	<b>214,140</b>	219,561	<b>213,550</b>	230,174
Cash flows from investing activities				
Operations with partners	-	(46,743)	-	(46,743)
Capitalized interest in property and equipment	<b>(8,249)</b>	(3,065)	<b>(8,249)</b>	(3,065)
Capital reimbursement to shareholder	<b>(7,084)</b>	(8,083)	<b>(7,084)</b>	(8,082)
Acquisition of property and equipment	<b>(77,679)</b>	(105,862)	<b>(77,768)</b>	(105,862)
Proceeds from disposal of property and equipment	<b>5,646</b>	791	<b>5,646</b>	791
Net cash used in investing activities	<b>(87,366)</b>	(162,962)	<b>(87,455)</b>	(162,961)

## Portonave S/A - Terminais Portuários de Navegantes

Cash flow statements (Continued)  
 Years ended December 31, 2015 and 2014  
 (In thousands of reais)

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Cash flows from financing activities				
Dividend and interest on equity	<b>(44,150)</b>	(269,847)	<b>(44,150)</b>	(269,847)
Payment to related parties	-	(8,872)	<b>(1)</b>	(8,872)
Funds raised through loans, financing and debentures	-	300,000	-	315,563
Loan and financing repayment	<b>(20,500)</b>	(20,000)	<b>(20,500)</b>	(46,393)
Interest and remuneration paid on loans and financing	<b>(61,969)</b>	(54,042)	<b>(61,969)</b>	(54,042)
Net cash generated by financing activities	<b>(126,619)</b>	(52,761)	<b>(126,620)</b>	(63,591)
Increase in cash and cash equivalents	<b>155</b>	3,838	<b>(525)</b>	3,622
Cash and cash equivalents				
At beginning of period	<b>32,781</b>	28,943	<b>34,192</b>	30,570
At end of period	<b>32,936</b>	32,781	<b>33,667</b>	34,192
Increase in cash and cash equivalents	<b>155</b>	3,838	<b>(525)</b>	3,622

See accompanying notes.

## Portonave S/A - Terminais Portuários de Navegantes

Statement of value added  
 Years ended December 31, 2015 and 2014  
 (In thousands of reais)

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Revenues	<b>421,420</b>	372,298	<b>460,520</b>	463,034
Sale of services	<b>380,997</b>	352,421	<b>432,969</b>	445,772
Sale of goods	-	-	-	11,464
Other revenues	<b>41,928</b>	19,877	<b>29,056</b>	5,798
Allowance for doubtful accounts	<b>(1,505)</b>	-	<b>(1,505)</b>	-
Inputs acquired from third parties	<b>(67,337)</b>	(58,476)	<b>(76,125)</b>	(77,618)
Cost of services rendered	<b>(18,321)</b>	(20,574)	<b>(20,869)</b>	(34,300)
Materials, electric energy, outsourced services and other	<b>(48,880)</b>	(37,784)	<b>(55,246)</b>	(43,430)
Other operating costs	<b>(136)</b>	(118)	<b>(10)</b>	112
Gross value added	<b>354,083</b>	313,822	<b>384,395</b>	385,416
Retentions	<b>(110,450)</b>	(105,801)	<b>(110,464)</b>	(105,805)
Depreciation and amortization	<b>(110,450)</b>	(105,801)	<b>(110,464)</b>	(105,805)
Vet value added generated by the company	<b>243,633</b>	208,021	<b>273,931</b>	279,611
Value added received in transfer	<b>31,662</b>	73,798	<b>22,720</b>	34,087
Equity pickup	<b>9,066</b>	42,216	-	-
Financial income	<b>8,549</b>	8,186	<b>8,961</b>	10,691
Deferred income and social contribution taxes	<b>14,047</b>	23,396	<b>13,759</b>	23,396
Total value added to be distributed	<b>275,295</b>	281,819	<b>296,651</b>	313,698
Distribution of value added	<b>275,295</b>	281,819	<b>296,651</b>	313,698
Work compensation	<b>55,713</b>	54,004	<b>66,668</b>	66,018
Taxes, charges and contributions	<b>72,627</b>	71,986	<b>82,774</b>	89,539
Third party capital remuneration	<b>89,979</b>	83,948	<b>90,233</b>	86,260
Income for the year	<b>56,976</b>	71,881	<b>56,976</b>	71,881

See accompanying notes.

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements  
Years ended December 31, 2015 and 2014  
(In thousands of reais)

### 1. Operations

Portonave S/A - Terminais Portuários de Navegantes (“Company”) is a privately-held corporation incorporated on July 31, 2001, with head office at Avenida Portuária Vicente Coelho, 01, São Domingos, Navegantes, Santa Catarina state.

The Company is mainly engaged in the following activities: (i) running, operating and managing port services; (ii) running, managing, operating and conceding port terminals lease; (iii) running, operating and managing transportation services in general, whether supplementing port activities or not; (iv) operating own and third-party cargo; (v) operating bonded warehouses or customs stations, including for bonded cargo handling and storage; and (vi) holding interests as a partner, shareholder or member in other legal entities.

#### Operating conditions and restrictions under the concession granted to the Company

The Company is subject to meeting the conditions provided for in the adhesion contract to operate Navegantes Port. The authorization granted by Federal Government shall be revoked in the following cases: a) forfeiture, b) rescission, c) decision to waive terminal running activities, or d) Portonave’s bankruptcy or extinction.

Upon agreement termination, real and personal properties will not become Federal Government property. In addition, Federal Government may decide, at its discretion, upon agreement termination, to run the terminal as from the moment the Company is indemnified due to this fact.

The Company is exempt from remuneration payable to the Federal Government or any other burden from running the Navegantes Port Terminal.

The Federal Government has the right to inspect the work at its discretion, enforce contractual penalties, monitor the quality and development of services provided, and take measures to ensure environmental adequacy and protection.

On January 26, 2015, the Company and inspection agency - National Water Transportation Agency (ANTAQ) - entered into an adhesion agreement pursuant to Law No. 12.815/2013 regarding the Ports Law.

## **Portonave S/A - Terminais Portuários de Navegantes**

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
(In thousands of reais)

### **1. Operations (Continued)**

#### Equity interest

In order to supplement its port terminal service activities, the Company holds controlling interests in the following companies:

- Iceport Terminal Frigorífico de Navegantes S/A - is mainly engaged in: a) cold storage facilities; b) logistics (transportation); c) trading company - purchase and sale of goods in the domestic and foreign markets. This company is headquartered at Avenida Portuária Vicente Coelho, 55, 1º Andar, São Domingos, Navegantes - SC.
- Teconnave Terminal de Contêineres de Navegantes S/A - with head office at Avenida Portuária Vicente Coelho, 55, Térreo, São Domingos, Navegantes - SC, the company is mainly engaged in: (a) running, operating and managing port services; b) holding interests as a partner, shareholder or member in other legal entities.

The operating segments of the Company and its subsidiaries, as defined by management, are as follows:

- Port operating services;
- Cold storage facilities and supplementary services;
- Purchase and sale of goods in the domestic and foreign markets, and operation as a trading company and supplementary services;
- Cargo logistic and road transportation agency.

#### Authorization to issue the financial statements

Issue of the financial statements for the year ended December 31, 2015 was authorized by the Executive Board on January 18, 2016 and ratified on February 11, 2016.

### **2. Summary of significant accounting practices**

The significant accounting practices adopted in the preparation of these financial statements are described below. They have been consistently applied to all years presented, unless otherwise stated.

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
(In thousands of reais)

### 2. Summary of significant accounting practices (Continued)

The financial statements were prepared following different measurement bases used in accounting estimates. Accounting estimates involved in the preparation of the financial statements were based on both objective and subjective factors, in line with management's judgment for determining the appropriate amounts to be recorded in the financial statements. Other significant items subject to estimates include: selection of property and equipment useful lives; deferred income and social contribution taxes; provision for contingencies; fair value measurement of financial instruments; and estimates for disclosure of the sensitivity analysis chart of financial instruments. Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the uncertainties inherent in their estimate process. The Company reviews its estimates and assumptions at least on a quarterly basis.

These financial statements are the responsibility of Company management, and were prepared in accordance with accounting practices adopted in Brazil, which comprise provisions contained in the Brazilian Corporation Law (Law No. 11638/07), and Brazilian Financial Accounting Standards Board (CPC) pronouncements, amendments and interpretations, approved by Brazil's National Association of State Boards of Accountancy (CFC).

#### Basis of presentation of the financial statements

##### *Basis of consolidation*

The consolidated financial statements include operations of the Company and the following subsidiaries, in which ownership interest at balance sheet date is summarized below:

Companhia	Equity interest (%)	
	12/31/2015	12/31/2014
Iceport S.A.	100%	100%
Teconnave S.A.	100%	100%

The financial statements of the consolidating subsidiaries are prepared for the same reporting period as the Company, and accounting practices were consistently applied in line with those used in the prior year.

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
(In thousands of reais)

### 2. Summary of significant accounting practices (Continued)

#### Basis of presentation of the financial statements (Continued)

##### *Consolidation basis* (Continued)

The main consolidation procedures are:

- Elimination of assets and liabilities balances among consolidated companies;
- Elimination of equity interest, reserves and retained earnings of consolidated companies;
- Elimination of income and expenses balances, as well as unrealized income from intercompany transactions;
- Determination of taxes on the portion of unrealized income, presented as deferred taxes in the consolidated balance sheet.

##### *Presentation of financial statements*

The Company's individual and consolidated information was prepared and is presented in conformity with accounting practices adopted in Brazil, which comprise the provisions of the Brazilian Corporation Law and the pronouncements issued by CPC. The financial statements were rounded up to the nearest thousand, except as otherwise stated.

#### 2.1. Foreign currency translation

The individual and consolidated financial statements are presented in reais (R\$), the functional currency of the Company and its subsidiaries.

##### Transactions and balances

Transactions in foreign currency are initially recorded at the functional currency rate prevailing at the transaction date.

Monetary assets and liabilities denominated in foreign currency are retranslated at the functional currency rate prevailing at the balance sheet date, and all differences are posted to the income statement.



## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
(In thousands of reais)

### 2. Summary of significant accounting practices (Continued)

#### 2.2. Revenue recognition

Revenue is recognized to the extent economic benefits are likely to be generated for the Company and when such amount can be reliably measured. Revenue is measured at fair value of the consideration received, net of sales discounts, rebates, and related taxes or charges. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent, and eventually concluded that it is acting as a principal in all of its revenue arrangements. The following specific criteria must also be met before revenue is recognized.

##### Services rendered

Revenue from port services is recognized considering the container operations. When such container operations cannot be reliably measured, revenue is only recognized to the extent that expenses incurred are recoverable.

##### Products sold

Revenue from goods sales is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer, usually on delivery of such goods.

##### Interest income

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as available for sale, interest income or expense is recognized using the effective interest rate method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

#### 2.3. Taxes

##### Current income and social contribution taxes

Current tax assets and liabilities for the last and prior years are measured at the estimated amount recoverable from or payable to tax authorities. The tax rates and tax laws used to determine the amount are those that are enacted or substantially enacted at the reporting date.

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
(In thousands of reais)

### 2. Summary of significant accounting practices (Continued)

#### 2.3. Taxes (Continued)

##### Deferred taxes

A deferred tax asset shall be recognized for all deductible temporary differences, unused tax credits and losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference, unused tax credits and losses can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and written off, as taxable profits are no longer likely to allow deferred tax assets to be fully or partially used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applicable for the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted as of the reporting date.

Deferred tax assets and liabilities are stated net if there is a legal or contractual right to offset tax assets against tax liabilities and the deferred taxes are related to the same taxable entity and subject to the same tax authority.

##### Sales taxes

Revenues, expenses and assets are recognized net of taxes on sales, except:

- When taxes on sales incurred on purchase of assets or services are not recoverable from tax authorities, in which case sales taxes are recognized as part of acquisition cost of the asset or expense item, as applicable;
- When amounts receivable and payable are stated together with sales taxes;
- Net sales taxes, either recoverable or payable, are included as part of receivables or payables in the balance sheet.

Sales and service revenues are subject to the taxes and contributions below, at the following rates:

- Contribution tax on gross revenue for social integration program (PIS): 0.65% to 1.65%;
- Contribution tax on gross revenue for social security financing (COFINS): 3% to 7.6%;
- Export Duty (IE): 9%;
- Service Tax (ISS): 2%;
- State value-added tax (ICMS): 12%

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
(In thousands of reais)

### 2. Summary of significant accounting practices (Continued)

#### 2.4. Financial instruments

##### (i) Financial assets

###### *Initial recognition and measurement*

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition when it becomes party to the contractual provisions of the instrument.

Financial assets are initially recognized at fair value plus, in the case of investments not designated at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial asset.

Sales and purchases of financial assets which require the delivery of assets within the timetable established by regulation or agreement in the market (regular purchases) are recognized on the date of operation, i.e. the date on which the Company commits itself to purchase or sell the asset.

The Company's financial assets include cash and cash equivalents, trade accounts receivable and other receivables, loans and other receivables and other quoted financial instruments.

##### (ii) Financial liabilities

###### *Initial recognition and measurement*

Financial liabilities are classified as financial liabilities at fair value through profit or loss, and loans and financing. The Company determines the classification of its financial liabilities upon their initial recognition.

Financial liabilities are initially recognized at fair value and, in the case of loans and financing, plus transaction costs directly attributable thereto.

The Company's financial liabilities include trade accounts payable and other accounts payable, bank overdrafts, loans and financing, financial guarantee contracts and debentures.

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
(In thousands of reais)

### 2. Summary of significant accounting practices (Continued)

#### 2.5. Property and equipment

Facilities and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, as appropriate. The referred to cost includes property and equipment partial replacement costs, and long-term construction project borrowing costs, when recognition criteria are met. When significant parts of property and equipment are replaced, the Company recognizes such parts as individual assets with specific useful life and depreciation.

Accordingly, when significant inspection is conducted, cost thereof is recognized at property and equipment carrying amount if the recognition criteria are met. All the other repair and maintenance costs are recognized in the income statement as incurred. The present value of the cost expected from decommissioning of an asset item after its use is included in the cost of the corresponding asset item if the recognition criteria for a provision are met. The net book value and the estimated useful lives of assets are reviewed and adjusted, where applicable, at year end.

Depreciation is calculated on a straight-line basis over the asset economic useful life, at rates that consider the asset remaining useful life, as follows.

- Buildings and port facilities 25 years
- Port equipment 5 to 15 years
- Vehicles and port vehicles 5 to 10 years

Due to changes in the Brazilian accounting practice for full convergence with international practices, the Company elected on January 1, 2010, upon first-time adoption of Technical Pronouncements CPC 27 (IAS 16) and CPC 28 (IAS 40), to adjust the opening balances as allowed by international accounting standards using the concept of deemed cost, as defined in Technical Pronouncements CPC 37 (IFRS 1) and CPC 43.

An item of property and equipment is written off on disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising from the asset write-off (calculated as the difference between asset net sales and carrying amount) are included in the income statement for the year when the asset is written off.

Net book value and useful lives of assets and depreciation methods are reviewed at year end, and adjusted prospectively, when applicable. At January 1, 2010, the Company reviewed the useful life of its property and equipment and changed the depreciation rate of certain assets as from said date. The reviews of its property and equipment, in 2015 and 2014, indicated that such rates should be maintained.

## **Portonave S/A - Terminais Portuários de Navegantes**

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
(In thousands of reais)

### **2. Summary of significant accounting practices (Continued)**

#### **2.6. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset.

Other borrowing costs are recognized as an expense for the period in which they are incurred. Borrowing costs include interest expense and other costs incurred by an entity in connection with the borrowing of funds.

#### **2.7. Cash and cash equivalents**

Cash equivalents are held by the Company for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company considers as cash and cash equivalents investments immediately redeemable at a known cash amount and that are exposed to an insignificant risk of change in value. Therefore, an investment usually qualifies as a cash equivalent when it has short-term maturity, e.g., three months or less, from the date it is taken out.

#### **2.8. Provisions**

Generally, provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that economic benefits will be required to settle the obligation, and such obligation can be reliably estimated. When the Company is expected to fully or partially reimburse a provision - in virtue of an insurance agreement, for example -, such reimbursement is recognized as a separate asset item, but only when the amount is more likely than not to be reimbursed. Expenses related to any provision are stated in the income statement, net of any reimbursements.

#### **2.9. Cash flow statement**

The cash flow statements were prepared under the indirect method and are presented in accordance with accounting pronouncement CPC 03 - Statement of Cash Flows, issued by CPC.

#### **2.10. Statement of Added Value (SVA)**

The statements of value added were prepared in accordance with CPC 09, and are applicable to publicly-held companies. However, Company management decided to disclose the SVA as supplementary information.

## **Portonave S/A - Terminais Portuários de Navegantes**

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
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### **2. Summary of significant accounting practices (Continued)**

#### **2.11. New or revised pronouncements applied for the first time in 2015**

Some pronouncements and interpretations issued by the Brazilian FASB became applicable for the first time in 2015. Company management evaluated such standards, concluding that such standards and guidance did not affect significantly the balances recorded by the Company. However, further disclosures in the notes to financial statements may have been required.

#### **2.12. IFRS pronouncements still not in force at December 31, 2015**

Company management revised the standards and interpretations issued, relevant to the Company but not yet effective at the balance sheet date, and deemed not to have a significant impact on the individual and consolidated financial statements.

### **3. Significant accounting judgments, estimates and assumptions**

#### Judgments

The preparation of the Company's financial statements requires that management makes judgments and estimates and adopt assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, as well as of contingent liabilities, as at the financial statements reporting date. Nevertheless, uncertainty associated with those estimates and assumptions could lead to results that would require significant adjustment to the carrying amount of assets or liabilities affected in future periods.

In applying the Company's accounting policies, management has made the following judgments that have a more significant effect on the amounts recognized in the consolidated financial statements:

#### Estimates and assumptions

Key assumptions concerning sources of uncertainty in future estimates and other important sources of estimation uncertainty at the balance sheet, involving significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year are discussed below.

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
(In thousands of reais)

### 3. Significant accounting judgments, estimates and assumptions (Continued)

#### Estimates and assumptions (Continued)

##### *Impairment of non-financial assets*

Impairment loss exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less cost to sell and value in use. The calculation of fair value less cost to sell is based on information available on transactions for sale of similar assets or market prices less additional costs to dispose of the asset. The calculation of value in use is based on the discounted cash flow model. Cash flows derive from budget for the following ten years and include no restructuring activities to which the Company is not yet committed or significant investments that may improve the asset base of the cash generating unit subject to tests. Recoverable amount is sensitive to the discount rate used under the discounted cash flow method, as well as expected future cash receipts, and to the growth rate used for extrapolation purposes.

##### *Taxes*

There are uncertainties related to the interpretation of complex tax regulations and to the amount and time of future taxable profits. Given the breadth of tax legislation and the long-term nature and complexity of the existing contractual instruments, any differences between actual income and the assumptions adopted, or future changes in these assumptions, may require future adjustments in tax revenues and expenses already recorded. At December 31, 2015 and 2014, the Company detected no issues that would require a provision for tax-related matters, and no audits by tax authorities are currently under way. Differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be used. Significant judgment calls are required of management in order to determine the amount of deferred tax assets that can be recognized, based on the likely timing and the level of future taxable profits, together with future tax planning strategies.

##### *Fair value of financial instruments*

If there is not a quoted market price for the financial assets and liabilities stated in the balance sheet, fair value must be measured using another valuation technique, including the discounted cash flow method. These methods use observable market data, whenever possible; otherwise, a given judgment call is required in order to determine the fair value. Judgment includes considerations about the data used, such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
 Years ended December 31, 2015 and 2014  
 (In thousands of reais)

### 3. Significant accounting judgments, estimates and assumptions (Continued)

#### Estimates and assumptions (Continued)

##### *Provision for tax, civil and labor claims*

The Company recognizes a provision for civil and labor claims. Assessment of the likelihood of loss includes analysis of available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system, as well as the opinion of external legal advisors. Provisions are reviewed and adjusted considering changes in existing circumstances, such as the applicable statutes of limitation, tax audit conclusions, or additional exposures identified based on new matters or court decisions.

### 4. Cash and cash equivalents

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Cash	15	19	18	22
Banks	2,449	4,433	2,828	5,415
Highly-liquid short-term investments	30,472	28,329	30,821	28,755
<b>Cash and cash equivalents</b>	<b>32,936</b>	<b>32,781</b>	<b>33,667</b>	<b>34,192</b>

Short-term investments comprise Bank Deposit Certificates (CDBs) and short-term investment funds immediately redeemable, pegged to the daily Interbank Deposit Certificate (CDI) rate.

### 5. Trade accounts receivable

Trade accounts receivable account records amounts receivable in connection with the rendering of port services by the Company as a separate entity, the activities of the wholly-owned subsidiaries Iceport S/A and Teconnave S/A, as well as other accounts receivable, as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Port services	53,888	46,946	54,061	47,262
Storage services	-	-	2,890	2,342
Export/import of goods	-	-	2,836	2,963
Allowance for doubtful accounts	(4,623)	(3,252)	(4,623)	(3,252)
<b>Total receivables</b>	<b>49,265</b>	<b>43,694</b>	<b>55,164</b>	<b>49,315</b>



## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
 Years ended December 31, 2015 and 2014  
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### 5. Trade accounts receivable (Continued)

Amounts receivable, net of the allowance for doubtful accounts, represent the maximum exposure to credit risk of the Company and its subsidiaries. The credit risk of trade accounts receivable derives from the possibility that the Company may not receive amounts payable for the rendering of services and the sale of goods. The allowance for doubtful accounts was calculated considering the following assumptions: a) history of losses; b) individual condition of customers; c) security interest for debts; and d) opinion of legal advisors. The allowance set up is considered sufficient to cover any losses on amounts receivable. Intercompany accounts receivable are set out in Note 15.

As of December 31, the aging list of trade accounts receivable is as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
<b>Falling due</b>	<b>23,510</b>	26,690	<b>26,443</b>	29,662
Overdue:				
Up to 30 days	<b>6,977</b>	2,798	<b>6,977</b>	2,799
From 31 to 60 days	<b>5,925</b>	6,096	<b>5,925</b>	6,096
From 61 to 90 days	<b>2,586</b>	5,811	<b>2,586</b>	5,811
From 91 to 180 days	<b>2,123</b>	215	<b>2,231</b>	215
From 181 to 360 days	<b>8,516</b>	371	<b>8,516</b>	384
Over 360 days	<b>4,251</b>	4,965	<b>7,109</b>	7,600
	<b>53,888</b>	46,946	<b>59,787</b>	52,567

Changes in allowance for doubtful accounts are as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Balance at beginning of year	<b>3,252</b>	3,981	<b>3,252</b>	4,186
Additions	<b>2,438</b>	-	<b>2,438</b>	-
Recovery/realizations	<b>(1,067)</b>	(729)	<b>(1,067)</b>	(934)
Balance at end of year	<b>4,623</b>	3,252	<b>4,623</b>	3,252

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
 Years ended December 31, 2015 and 2014  
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### 6. Taxes recoverable

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
IRRF recoverable	-	428	36	514
PIS recoverable	1,903	-	1,903	-
COFINS recoverable	8,765	-	8,765	-
Income tax	-	410	68	564
Social contribution tax	-	-	22	58
Other taxes	12	12	12	20
	<b>10,680</b>	<b>850</b>	<b>10,806</b>	<b>1,156</b>
Current	5,578	850	5,704	1,156
Noncurrent	5,102	-	5,102	-

### 7. Other receivables

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Advances to employees	519	498	579	576
Advances to suppliers	362	254	362	354
Prepaid expenses	13,338	7,190	13,338	7,190
Other	1,678	174	1,870	185
	<b>15,897</b>	<b>8,116</b>	<b>16,149</b>	<b>8,305</b>
Current	11,499	7,938	11,749	8,128
Noncurrent	4,398	177	4,400	177

#### a) Insurance

As of December 31, 2015, insurance coverage established by Company management and for its subsidiaries to cover any losses included: i) civil liability; ii) physical damage to real and personal properties and; iii) additional coverage for loss in gross revenue and/or additional or extraordinary expenses resulting from the total or partial shut-down of operations. The maximum compensation for claims is summarized below:

Risk	Insurance period		Amount insured (USD 000)	Premium
	From	Up to		
Port Operator	12/31/2015	06/30//2017	279,815	R\$13,018

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
 Years ended December 31, 2015 and 2014  
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### 8. Assets held for sale

On December 1, 2014, the Company elected to dispose of a “MHC” self-propelled crane it had been using to move containers. This crane is fully operational and was made available for immediate sale by the Company management. On June 17, 2015 equipment “MHC” was sold for R\$5,646, determining a R\$1,878 gain, recorded as other operating revenue.

### 9. Investments

The Company’s investments in subsidiaries are broken down as follows:

	12/31/2015					12/31/2014	
	Capital	Equity	P&L	Interest in capital %	Equity pickup	Investment (provision for investment losses)	Investment
Iceport S.A.	4,000	(2,589)	1,401	100%	1,401	(2,589)	(3,990)
Teconnave S.A.	500	8,265	7,665	100%	7,665	8,265	44,048
					<b>9,066</b>	<b>5,676</b>	<b>40,058</b>

Changes in investments for 2015 are as follows:

	Investments (provision for investment losses) as of 12/31/2014	Dividend received	Equity pickup	Investments (provision for investment losses) as of 12/31/2015
Iceport S.A.	(3,990)	-	1,401	(2,589)
Teconnave S.A.	44,048	(42,948)	7,665	8,265
	<b>40,058</b>	<b>(42,948)</b>	<b>9,066</b>	<b>5,676</b>

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
 Years ended December 31, 2015 and 2014  
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### 10. Property and equipment (Consolidated)

Cost	Land	Buildings and facilities	Machinery and equipment	Furniture and fixtures	Data processing equipment	Software	Construction in progress	Vehicle	Other	Cold storage facilities	Total
Balance as of December 31, 2014	<b>170,756</b>	<b>1,176,498</b>	<b>448,480</b>	<b>8,407</b>	<b>21,619</b>	<b>16,709</b>	<b>130,817</b>	<b>2,069</b>	<b>11,546</b>	<b>94,578</b>	<b>2,081,479</b>
Acquisitions	277	435	26,801	65	207	6	69,847	41	812	416	98,907
Write-offs	-	(11,132)*	(194)	(67)	(539)	(1,295)	(1,719)	(139)	-	(128)	(15,214)
Transfers	9	135,090	738	68	511	147	(136,667)	427	(413)	91	-
Balance as of December 31, 2015	<b>171,042</b>	<b>1,300,891</b>	<b>475,825</b>	<b>8,472</b>	<b>21,798</b>	<b>15,568</b>	<b>62,277</b>	<b>2,398</b>	<b>11,945</b>	<b>94,957</b>	<b>2,165,172</b>

Depreciation	Land	Buildings and facilities	Machinery and equipment	Furniture and fixtures	Data processing equipment	Software	Construction in progress	Vehicle	Other	Cold storage facilities	Total
Balance as of December 31, 2014	-	<b>(246,655)</b>	<b>(253,736)</b>	<b>(4,977)</b>	<b>(20,091)</b>	<b>(15,992)</b>	-	<b>(1,985)</b>	<b>(4,914)</b>	<b>(25,447)</b>	<b>(573,797)</b>
Depreciation	-	(50,656)	(48,024)	(870)	(549)	(251)	-	(162)	(3,036)	(6,572)	(110,120)
Write-offs	-	-	120	40	526	1,286	-	100	-	118	2,189
Transfers	-	-	12	(7)	(4)	-	-	-	-	(1)	-
Balance as of December 31, 2015	-	<b>(297,311)</b>	<b>(301,628)</b>	<b>(5,815)</b>	<b>(20,118)</b>	<b>(14,957)</b>	-	<b>(2,047)</b>	<b>(7,950)</b>	<b>(31,902)</b>	<b>(681,729)</b>

Net book value											
Balance as of December 31, 2014	170,756	929,843	194,744	3,430	1,528	717	130,817	84	6,632	69,131	1,507,682
Balance as of December 31, 2015	171,042	1,003,580	174,197	2,657	1,679	611	62,277	351	3,995	63,055	1,483,444

(\*) Taxes recoverable (PIS and COFINS - see Note 6) transferred upon the completion of the expansion area.

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
 Years ended December 31, 2015 and 2014  
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### 10. Property and equipment (Consolidated) (Continued)

In 2015, R\$8,249 was capitalized, for interest on property and equipment purposes, in connection with expenses with the expansion area. The average monthly interest rate used in the capitalization was 1.41%. In the same period, related party Construtora Triunfo was paid R\$67,129, in connection with the terminal expansion construction work.

### 11. Intangible assets (Company and consolidated)

Intangible assets refer solely to costs incurred in connection with the implementation of an electric power transmission line built by Portonave based on an agreement with CELESC Distribuição S/A, entered into on January 18, 2007 for the purpose of obtaining economic benefits from electric power collection to better operate port activities. The transmission line is amortized according to the estimated time for investment recovery, which is 10 years for equipment and 25 years for buildings.

<b>Cost</b>	<b>TL construction</b>	<b>TL buildings</b>	<b>TL machinery</b>	<b>TL facilities</b>	<b>Total</b>
Balance as of December 31, 2014	1,489	1,516	114	2,206	5,325
Additions	-	-	-	-	-
Write-offs	-	-	-	-	-
<b>Balance as of December 31, 2015</b>	<b>1,489</b>	<b>1,516</b>	<b>114</b>	<b>2,206</b>	<b>5,325</b>

  

<b>Amortization</b>	<b>TL construction</b>	<b>TL buildings</b>	<b>TL machinery</b>	<b>TL facilities</b>	<b>Total</b>
Balance as of December 31, 2014	(250)	(242)	(57)	(918)	(1,467)
Additions	(60)	(56)	(16)	(220)	(352)
Write-offs	-	-	-	-	-
<b>Balance as of December 31, 2015</b>	<b>(310)</b>	<b>(298)</b>	<b>(73)</b>	<b>(1,138)</b>	<b>(1,819)</b>

  

<b>Net book value at:</b>					
<b>12/31/2014</b>	1,239	1,274	57	1,288	3,858
<b>12/31/2015</b>	<b>1,179</b>	<b>1,218</b>	<b>41</b>	<b>1,068</b>	<b>3,506</b>

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
 Years ended December 31, 2015 and 2014  
 (In thousands of reais)

### 12. Trade accounts payable

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Services	20,070	16,653	21,198	16,987
Goods	3,594	4,520	3,713	4,897
Foreign currency	261	49	261	49
	<b>23,925</b>	21,222	<b>25,172</b>	21,933
Classified in current	<b>23,925</b>	18,474	<b>25,172</b>	19,185
Classified in noncurrent	-	2,748	-	2,748

### 13. Debentures

Loans taken out by the Company and its subsidiaries are comprised as follows:

	Annual charges	Guarantee	Consolidated	
			12/31/2015	12/31/2014
Current				
1st issue debentures	1.65% to 2.55% p.a. + DI	(a)	21,000	8,500
2nd issue debentures:				
First series	IPCA + 8.40% p.a. + restated by IPCA	(a)	4,500	1,800
Second and third series	IPCA + 8.40% p.a. + restated by IPCA	(a)	25,500	10,200
Interest gains			3,910	6,122
( - ) Issue expenses			(3,290)	(3,290)
<b>Total current</b>			<b>51,620</b>	23,332
Noncurrent				
1st issue debentures	1.65% to 2.55% p.a. + DI	(a)	180,500	201,500
2nd issue debentures:				
First series	IPCA + 8.40% p.a. + restated IPCA	(a)	38,700	43,200
Second and third series	IPCA + 8.40% p.a. + restated IPCA	(a)	219,300	244,800
Interest gains			28,740	-
( - ) Issue expenses			(14,392)	(17,682)
<b>Total noncurrent</b>			<b>452,848</b>	471,818
<b>Total</b>			<b>504,468</b>	495,150

(a) Pledges, credits, guarantees, machinery and equipment.

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
(In thousands of reais)

### 13. Debentures (Continued)

#### Payment schedule

Maturity year	Consolidated						Total
	2016	2017	2018	2019	2020	2021	
Debentures	54,910	108,387	108,387	113,706	106,366	30,095	521,851
(-) Issue expenses	(3,290)	(3,290)	(3,290)	(3,290)	(3,290)	(933)	(17,383)
Total	51,620	105,097	105,097	110,416	103,076	29,162	504,468

#### Characteristics of the Debentures

On July 11, 2012, the Company completed its first Issuance of simple unsecured nonconvertible debentures, in a single series, maturing on July 11, 2017, as approved by the Board of Directors in a meeting held on July 3, 2012.

In accordance with the Special General Shareholders' Meeting held on June 9, 2014, Company management amended the following provisions of 1<sup>st</sup> issue indenture:

- a) maturity date;
- b) remuneration payment term;
- c) terms and percentages for unit nominal value amortization;
- d) criteria to replace the DI rate in the event it becomes unavailable;
- e) expected sharing of guarantees set up to the benefit of first issue debenture holders;
- f) amendment to clause 6.5.1 of the 1st issue indenture;
- g) amendment to item (p) of clause 7.1 of 1<sup>st</sup> issue indenture, and
- h) amendment to item (n) of clause 7.2 of 1<sup>st</sup> issue indenture.

After the amendments, 1st issue debentures are as follows:

1. Amount: R\$250,000;
2. Dates: (a) issued July 11, 2012; (b) maturing June 27, 2021;

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
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### 13. Debentures (Continued)

#### Characteristics of the Debentures (Continued)

3. Amortization: in seventeen payments as follows:

<u>Installment</u>	<u>Amortization date</u>	<u>% amortization</u>
1	June 11, 2013	8%
2	January 11, 2014	8%
3	June 27, 2014	0%
4	December 27, 2014	0%
5	June 27, 2015	1.70%
6	December 27, 2015	1.70%
7	June 27, 2016	4.20%
8	December 27, 2016	4.20%
9	June 27, 2017	7.60%
10	December 27, 2017	9.20%
11	June 27, 2018	7.60%
12	December 27, 2018	9.20%
13	June 27, 2019	8.40%
14	December 27, 2019	9.20%
15	June 27, 2020	8.00%
16	December 27, 2020	8.40%
17	June 27, 2021	4.60%

On July 11, 2013, the first installment, amounting to R\$20,000, was settled. On January 13, 2014, the second installment, amounting to R\$20,000, was settled. In June and December 2015, R\$8,500 from the first issue was amortized.

4. Yield: (i) for the period between the date of issuance and January 11, 2013: interest based on average DI rates plus a 1.65% spread p.a. (based on a year with 252 business days); (ii) for the period between January 12, 2013 and July 11, 2013: interest based on cumulative DI rate differences plus a 2.15% spread p.a. (based on a year with 252 business days); (iii) for the period between June 27, 2013 and the date of final payment of debentures: interest based on cumulative DI rate differences plus a 2.25% spread p.a. (based on a year with 252 business days).

On June 9, 2014, in accordance with the Special General Shareholders' Meeting, Company management approved the 2<sup>nd</sup> issue of simple debentures nonconvertible into unprivileged shares of the Company's issue, in three series, amounting to R\$300,000, with the following characteristics:



## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
 Years ended December 31, 2015 and 2014  
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### 13. Debentures (Continued)

#### Characteristics of the Debentures (Continued)

<b>Series</b>	<b>R\$</b>	<b>Amortization</b>
1st	45,000	Thirteen semiannual installments, with first one maturing on June 27, 2015, and the last one on June 27, 2021.
2nd	127,500	Seven annual installments, with first one maturing on June 27, 2015, and the last one on June 27, 2021.
3rd	127,500	Six annual installments, with first one maturing on December 27, 2015, and the last one on December 27, 2020.

#### *1st series payment schedule*

<b>Installment</b>	<b>Amortization date</b>	<b>% amortization</b>
1	June 27, 2015	2%
2	December 27, 2015	2%
3	June 27, 2016	5%
4	December 27, 2016	5%
5	June 27, 2017	9.00%
6	December 27, 2017	11.00%
7	June 27, 2018	9.00%
8	December 27, 2018	11.00%
9	June 27, 2019	10.00%
10	December 27, 2019	11.00%
11	June 27, 2020	9.50%
12	December 27, 2020	10.00%
13	June 27, 2021	5.50%

#### *2nd series payment schedule*

<b>Installment</b>	<b>Amortization date</b>	<b>% amortization</b>
1	June 27, 2015	4%
2	June 27, 2016	10%
3	June 27, 2017	18%
4	June 27, 2018	18%
5	June 27, 2019	20.00%
6	June 27, 2020	19.00%
7	June 27, 2021	11.00%

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
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### 13. Debentures (Continued)

#### Characteristics of the Debentures (Continued)

##### *3rd series payment schedule*

<u>Installment</u>	<u>Amortization date</u>	<u>% amortization</u>
1	December 27, 2015	4%
2	December 27, 2016	10%
3	December 27, 2017	22.00%
4	December 27, 2018	22.00%
5	December 27, 2019	22.00%
6	December 27, 2020	20.00%

The debentures were distributed on the basis of restricted placement efforts, pursuant to CVM Rule No. 476/09, only to qualified investors, in accordance with applicable regulations.

The debenture 1<sup>st</sup> issue was used in connection with early repayment of a syndicated loan led by *General Electric Capital Corporation*, and to reorganize the issuer's cash position. The 2<sup>nd</sup> issue was used to reorganize the issuer's cash position.

In June and December 2015, R\$12,000 from the second issue was amortized.

#### Covenants

The Company agrees to comply with the covenants defined in debenture indentures, including:

- a) Maintenance of the ratio obtained by dividing the consolidated net debt by the EBITDA, calculated in line with the debt agreement, not exceeding 3.5 for 2014; 3.0 for 2015 and 2016, and not exceeding 2.50 for other periods;
- b) The debt service coverage ratio, calculated in conformity with the debt agreement, shall be equal to or greater than 1.3;
- c) Failure to comply with regulatory, corporate or tax legislation that may adversely impact the issuer's ability to comply with its covenants;
- d) The Company's operating assets are recorded in favor of the financial agents of the debentures (BTG and Santander).

As of December 31, 2015, the Company is in compliance with all debenture-related covenants.

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
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### 14. Tax liabilities

This account carries amounts related to taxes and charges withheld by the Company as well as amounts related to taxes levied on: a) billing, b) income and c) advances for services acquired, as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Income taxes	1,121	7,052	1,424	8,342
Withheld taxes payable	1,004	1,200	1,127	1,303
Taxes on sales payable	2,164	3,603	2,663	4,141
Installment payment agreement - Federal Property Management Office (SPU)	440	314	440	314
	<b>4,729</b>	12,169	<b>5,654</b>	14,100

### 15. Related parties

#### a) Assets, liabilities and financial expenses

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Current assets				
Teconnave S/A	388	851	-	-
Maestra, Vessel, NTL	-	226	-	226
Terminal San Pedro S/A - sale of equipment	1,952	1,365	1,952	1,365
Construtora Triunfo S/A	-	2,772	-	2,772
	<b>2,340</b>	5,214	<b>1,952</b>	4,363
Noncurrent assets				
TPI - Triunfo Participações e Invest. S/A - intercompany loan	459	404	459	404
Construtora Triunfo S/A	1,559	-	1,559	-
Bakmoon Investments Inc. - intercompany loan	544	481	544	482
Iceport S/A - accounts receivable	15,861	17,855	-	-
Terminal San Pedro S/A - sale of equipment	1,301	2,102	1,301	2,102
	<b>19,724</b>	20,842	<b>3,863</b>	2,988
Current liabilities				
TPI - Triunfo Particip. e Invest. S/A	3	4	3	4
Teconnave S/A - deferred income	9,370	46,830	-	-
	<b>9,373</b>	46,834	<b>3</b>	4
Noncurrent liabilities				
Bakmoon Investments Inc.	109	109	109	109
Total liabilities	<b>9,482</b>	46,943	<b>112</b>	113
Financial expenses				
TPI - Triunfo Particip. e Invest. S/A	64	(291)	64	(291)
Bakmoon Investment Inc	54	(291)	54	(291)
	<b>118</b>	(582)	<b>118</b>	(582)

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
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### 15. Related parties (Continued)

a) Assets, liabilities and financial expenses (Continued)

The Company granted losses to shareholders TPI - Triunfo Participações e Investimentos S/A and Bakmoon Investment Inc. by means of intercompany loan agreements with remuneration pegged to the CDI variation, plus the tax on financial transactions (IOF).

b) Employees

The Company and its subsidiaries provide their employees with the following benefits:

- a) supply of ready meals;
- b) life insurance;
- c) medical and dental care;
- d) private pension plan with defined contribution, administered by Brasilprev;
- e) corporate education.

As of December 31, 2015, the abovementioned benefits account for R\$9,544 (R\$11,190 in 2014).

Also, the Company and its subsidiaries, in conformity with their human resources policies, provide their employees with a profit sharing plan, duly agreed between the parties (companies, employees and unions. As of December 31, 2015, the provision amounted to \$705.

c) Provision of port and other services

<u>Parties</u>	<u>Relationship</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Portonave x Iceport	Port services for export operations	-	61
Portonave x Maestra, NTL and Vessel	Port services	-	221

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
 Years ended December 31, 2015 and 2014  
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### 15. Related parties (Continued)

#### d) Lease of facilities

<b>Parties</b>	<b>Relationship</b>	<b>12/31/2015</b>	<b>12/31/2014</b>
Portonave x Maestra	Lease of commercial room	-	126
Portonave x Iceport	Lease of administrative facilities and apportionment of expenses	<b>5,160</b>	4,560
Portonave x Teconnave	Lease of port backyard structure and apportionment of expenses	<b>8,698</b>	9,784

#### e) Receivables from sale of property and equipment

<b>Parties</b>	<b>Relationship</b>	<b>12/31/2015</b>	<b>12/31/2014</b>
Portonave x Terminal São Pedro	Purchase and sale agreement of port equipment	<b>3,253</b>	3,603

### 16. Deferred income and social contribution taxes

#### a) Deferred tax assets and liabilities

The Company records deferred income and social contribution taxes as follows:

	<b>Company</b>		<b>Consolidated</b>	
	<b>12/31/2015</b>	12/31/2014	<b>12/31/2015</b>	12/31/2014
Deferred tax assets				
Income tax	<b>10,401</b>	16,343	<b>17,763</b>	23,919
Social contribution tax	<b>3,744</b>	5,884	<b>6,397</b>	8,612
	<b>14,145</b>	22,227	<b>24,160</b>	32,531
Deferred tax liabilities				
Income tax	<b>(231,457)</b>	(247,729)	<b>(231,457)</b>	(247,729)
Social contribution tax	<b>(83,324)</b>	(89,182)	<b>(83,324)</b>	(89,182)
	<b>(314,781)</b>	(336,911)	<b>(314,781)</b>	(336,911)
<b>Net</b>	<b>(300,636)</b>	(314,684)	<b>(290,621)</b>	(304,380)

The parent company's deferred income and social contribution taxes recoverable consist of income from the reverse takeover, while in consolidated they consist of income from goodwill and tax losses from subsidiary Iceport. Deferred income and social contribution taxes payable for R\$314,781 arise from: i) surplus value from deemed cost of property and equipment; ii) the depreciation rate difference between the tax and the effective useful life.

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
 Years ended December 31, 2015 and 2014  
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### 16. Income and social contribution taxes (Continued)

#### b) Reconciliation of income and social contribution tax expenses

The reconciliation of income and social contribution tax expenses recorded in the income statement is as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Income (loss) before taxes	71.379	82.983	75.182	90.883
Income and social contribution taxes at combined nominal rate of 34%	(24.269)	(28.214)	(25.562)	(30.900)
Permanent exclusions/(additions)				
Equity pickup	3.082	14.353	-	-
Other	6.783	2.759	6.649	2.340
Difference for subsidiaries computing taxable profit based on gross revenue	-	-	707	9.558
<b>Total</b>	<b>(14.403)</b>	<b>(11.102)</b>	<b>(18.206)</b>	<b>(19.002)</b>
Current taxes	(28.450)	(34.498)	(31.965)	(42.399)
Deferred taxes	14.047	23.396	13.759	23.396
	<b>(14.403)</b>	<b>(11.102)</b>	<b>(18.206)</b>	<b>(19.003)</b>

For the period ended December 31, 2015, the effective calculation rate above is 20.18% (14.83% - in 2014) in the Company, and 24.22% (18.90% - in 2014) in consolidated.

### 17. Provision for tax, civil and labor claims

The Company and its subsidiaries are parties to civil, labor and tax legal and administrative proceedings. A provision for contingencies was recorded for proceedings whose likelihood of an unfavorable outcome was rated as probable, as follows:

	Consolidated			
	Judicial deposits		Provision for contingencies	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Labor/civil	1,193	1,242	13,115	10,910
	<b>1,193</b>	<b>1,242</b>	<b>13,115</b>	<b>10,910</b>

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
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### 17. Provision for tax, civil and labor claims (Continued)

Changes in the provision for contingencies can be summarized as follows:

	Consolidated			12/31/2015
	12/31/2014	Additions	Reversals	
Civil	9.924	2.456	(15)	<b>12.365</b>
Labor	986	710	(938)	<b>758</b>
	<b>10.910</b>	<b>3.166</b>	<b>(953)</b>	<b>13.123</b>

In June 2014, R\$8,651 was recorded in connection with the civil proceeding brought by Mr. Luther Terry Grimble, wherein the Company is defendant, and whose likelihood of financial losses was classified as probable by the lawyers in charge of the case. The restated amount at December 31, 2015 is R\$11,611.

Additionally, the Company is defendant in claims in which the likelihood of an unfavorable outcome was considered possible based on the opinion of its legal advisors, and therefore no provisions were recorded for these claims. The main discussions about amounts higher than R\$50 subject to a possible risk are summarized below:

- Claim brought by company Agropel Ltda in connection with loss of profit due to goods damaged in the terminal, amounting to R\$317;
- Claim brought by Ledina Valentin for property damage and pain and suffering due to the noise of port equipment for R\$50;
- Claim brought by Álvaro Venturi and others for property damage and pain and suffering caused in the handling and storage of goods, amounting to R\$617;
- Claim brought by company Doux Frangosul in connection with loss of profit of goods damaged by the fire that took place in the cold storage facility of subsidiary Iceport, amounting to R\$986;
- Notice served for collection of fines related to delay in adopting a position in connection with the federal inspection of imported goods, amounting to R\$225;
- Notice served for collection of fine related to the improper use of SISCOMEX Cargo, amounting to R\$53;
- Claim brought by Easylog Ltda for alleged breach of contract, amounting to R\$169;
- Claim brought by General Noli do Brasil seeking indemnity for property damage for R\$76;
- Claim brought by Grimes e Pereira Ltda. seeking indemnity for property damage for R\$83;
- Claim brought by Comercial Exportadora WK Ltda. seeking indemnity for damage and losses for R\$72;

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
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### 17. Provision for tax, civil and labor claims (Continued)

- Claim brought by VML Comercial Importadora e Exportadora for undue collection - R\$332;
- Claim brought by Moacir da Silva seeking indemnity for material damage and loss of profit for R\$63;
- Claim brought by Via Expressa Importação e Exportação EPP for alleged illegal retention by the terminal amounting to R\$369;
- Claim brought by Sul Aluminnium Fundição S/A for tort-related damages and loss of profit for R\$343;
- Claim brought by Alumasa Ltda. for damages arising from alleged cargo theft amounting to R\$414;
- Claim brought by S&M for illegal retention of goods by the terminal amounting to R\$61;
- Claim brought by Torino Trade S/A on the grounds of excessively high prices charged by the terminal for R\$202.

#### Notices served by the Brazilian Antitrust Authority (CADE)

On October 8, 2014, the Company and other companies were served notices by CADE, as they were reported to have irregularly increased prices. This is a preliminary checking procedure, in order to check the procedure adopted by the companies is plausible, and may or may not result in an administrative controversy. On June 11, 2015 the procedure was archived by CADE, with no further consequences for the Company.

### 18. Management fees

For the period ended December 31, 2015, the Company and its subsidiaries recorded as overall key management personnel compensation the amount of R\$3,749 (R\$4,497 as of December 31, 2014). Management compensation is based on management fees and cost of living allowances in the Company.



## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
Years ended December 31, 2015 and 2014  
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### 19. Financial risk management objectives and policies

Pursuant to Accounting Pronouncements CPC 38 through CPC 40, the Company measured its financial instruments.

Financial instruments recorded under assets and liabilities are restated, as taken out, through December 31, 2015, and substantially correspond to their approximate market value.

The Company's main financial instruments as of December 31, 2015 are:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Cash and cash equivalents	<b>32,936</b>	32,781	<b>33,667</b>	34,192
Trade accounts receivable	<b>49,265</b>	43,694	<b>55,164</b>	49,315
Trade accounts payable	<b>(23,925)</b>	(21,232)	<b>(25,173)</b>	(21,932)
Debentures	<b>(504,468)</b>	(495,150)	<b>(504,468)</b>	(495,150)

The Company is exposed to market, credit and liquidity risks.

The Board of Directors is responsible for overseeing management of these assets.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: a) interest rate risk, b) currency risk, and c) equity price risk. The Company and its subsidiaries have imports or exports of goods or services, but their shares are not traded on a stock market.

#### a) *Interest/currency risk*

This risk arises from the possibility of the Company incurring losses due to fluctuation in interest rates of funds raised, and its exposure to fluctuations in exchange rates that may increase its financial expenses related to loans taken out from financial institutions or related parties. The Company continuously monitors the volatility of the market rates.

The Company does not have derivative financial instruments outstanding as of December 31, 2015

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
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### 19. Financial risk management objectives and policies (Continued)

#### Market risk (Continued)

##### b) *Regulatory risk*

We have disregarded any event in which Federal Government initiatives could affect the continued development of the port. We consider any political action that may end the contractual agreement now in place as remote possibility.

#### Credit risk

Credit risk is the risk that a counterparty to an arrangement will fail to comply with an obligation defined in a financial instrument or contract, which would cause financial losses. The Company and its subsidiaries are exposed to credit risk in their operating activities (especially in connection with accounts receivable) and financing activities, including deposits with banks and financial institutions, currency transactions and other financial instruments.

Credit risk involving balances in banks and financial institutions is managed by the Company executive board. The Company monitors the amounts deposited and concentrated with certain institutions in order to mitigate financial losses in the event of potential bankruptcy of a counterparty. As for trade accounts receivable, the Company has no relevant concentration of receivables.

#### Liquidity risk

The Company monitors the risk of cash shortfalls through regular reviews performed by management. Note 13 shows the aging list of the Company's financial liabilities to financial institutions, based on contractual undiscounted payments.

#### Capital management

The primary objective of the Company's capital management is to ensure that it maintain a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes as to objectives, policies or processes for the period ended December 31, 2015.

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
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### 20. Equity

#### a) Subscribed capital

As of December 31, 2015, subscribed capital amounted to R\$66,116, comprising 24,204,000 common registered shares, with no par value. At the Special Shareholders' Meeting of August 24, 2005, shareholders decided to divide Company capital into A and B share classes, with identical rights and obligations for both. This decision was based on the provisions of article 16 of Law No. 6404/76.

At the Special Shareholders' Meeting held on September 30, 2012, approval was given to the merger of shares of Maris Gaudium and Starport into the Company.

The Company's subscribed capital is held as follows:

Shareholders	Number of common paid-in shares (*)	
	12/31/2015	12/31/2014
Class "A"		
Bakmoon Investments Inc.	12,101,998	12,101,998
Other	2	2
Total class "A"	12,102,000	12,102,000
Class "B"		
TPI - S/A	8,067,998	8,067,998
TPI - LOG S/A	4,033,999	4,033,999
Other	3	3
Total class "B"	12,102,000	12,102,000
Grand total	24,204,000	24,204,000

( \* ) In units

#### b) Legal reserve

This reserve represents 5% of net income for the year after offset of accumulated losses in accordance with article 193 of Law No. 6404/76.

#### c) Special goodwill reserve

Capital reserve was recorded as a result of the merger of shares of the shareholders Maris Gaudium and Starport by the Company, recognized against net assets merged, representing the future tax benefit to be accrued by means of amortization of the merged goodwill that was accounted for in such companies. It refers to the portion of special goodwill reserve corresponding to the benefit that could be capitalized in favor of the shareholders at the end of the financial year, capitalized in favor of the shareholders, with issue of new shares, in accordance with

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
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### 20. Equity (Continued)

c) Special goodwill reserve (Continued)

CVM Ruling No. 319/99. The reserve was realized in 2014 with issue of new shares in favor of shareholder TPI - Triunfo Participações e Investimentos S.A. and subsequent redemption, as authorized at the Special General Meeting held on August 8, 2014. On April 2, 2015, in connection with an authorization given at a Special General Meeting, new shares were issued for R\$8,083, redeemed on the same date.

d) Dividends

The minimum mandatory dividends are calculated at 50% of net income for the year, according to the company's articles of incorporation, net of the legal reserve, depreciation of deemed cost and offsetting of accumulated losses.

At the Annual General Meeting held on April 27, 2015 an approval was given for the management proposal of additional dividends for 2014 amounting to R\$34,151 fully paid during the second quarter of 2015.

At the Special General Meeting held on October 9, 2015 an approval was given for interim dividend payment for R\$10,000 in light of the balance sheet at June 30, 2015.

Based on net income for the year ended December 31, 2015 Company management will propose the Annual General Meeting to resolve on the payment of dividends calculated as follows:

	<u>2015</u>
Net income for the year	56,976
Equity valuation reversal	50,366
Calculation base of dividends	<u>107,342</u>
Setup of legal reserve	(2,849)
Interim dividends paid in 2015	(10,000)
Minimum mandatory dividends	<u>42,246</u>
Balance of dividends to be distributed	<u>52,247</u>
Proposed supplementary dividends to minimum dividends	<u>52,247</u>

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
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### 21. Operating revenue

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Revenue from services rendered	<b>383,084</b>	352,462	<b>435,055</b>	445,814
Lease revenue	<b>13,166</b>	14,471	<b>5</b>	126
Revenue from products sold	-	-	<b>0</b>	11,464
Total gross revenue	<b>396,250</b>	366,933	<b>435,060</b>	457,404
Deductions from revenue:				
Federal taxes	<b>(22,256)</b>	(17,795)	<b>(25,602)</b>	(23,171)
State taxes	-	-	<b>(5)</b>	(28)
Local taxes	<b>(7,620)</b>	(7,019)	<b>(8,653)</b>	(8,882)
Cancelled sales	<b>(3,593)</b>	(41)	<b>(3,593)</b>	(154)
Total deductions	<b>(33,469)</b>	(24,855)	<b>(37,853)</b>	(32,235)
Net operating revenue	<b>362,781</b>	342,078	<b>397,207</b>	425,169

### 22. Other operating revenue and expenses

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Other income	<b>5,760</b>	620	<b>6,030</b>	869
Provision reversal	<b>885</b>	4,785	<b>1,190</b>	5,523
Insurance compensation	<b>20,500</b>	-	<b>20,500</b>	-
Gain on disposal of assets	<b>1,618</b>	-	<b>1,618</b>	-
Loss on disposal of assets	<b>(134)</b>	(639)	<b>(134)</b>	(639)
Realization of deemed cost	-	(18,637)	-	(18,637)
Provisions for civil, tax and labor claims	<b>(2,371)</b>	(9,583)	<b>(2,481)</b>	(10,037)
Reversal of bad debt	-	(3,572)	-	(3,572)
Other expenses	<b>(917)</b>	(54)	<b>(917)</b>	(54)
	<b>25,340</b>	(27,080)	<b>25,805</b>	(26,547)

The amount R\$20,500 consists of the receipt of insurance compensation to restore the Company cash regarding a pier reinforcement work.

## Portonave S/A - Terminais Portuários de Navegantes

Notes to financial statements (Continued)  
 Years ended December 31, 2015 and 2014  
 (In thousands of reais)

### 23. Financial income (expenses)

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Financial income				
Short-term investment yields	4,145	3,836	4,207	3,885
Interest receivable	1,408	2,108	1,485	2,121
Discounts obtained	36	34	38	272
Other income	233	174	504	683
	<b>5,822</b>	6,152	<b>6,234</b>	6,961
Exchange variation				
Exchange gains	2,727	1,230	2,727	2,927
Exchange gains - Bakmoon	-	401	-	401
Exchange gains - TPI	-	404	-	404
Exchange losses	(1,850)	(700)	(1,850)	(2,276)
Exchange losses - Bakmoon	-	(163)	-	(163)
Exchange losses - TPI	-	(163)	-	(163)
	<b>877</b>	1,009	<b>877</b>	1,130
Financial expenses				
Interest/charges on loans	(1)	(246)	(1)	(677)
Interest/charges - debentures	(83,574)	(48,421)	(83,574)	(48,421)
Bank fees	(430)	(292)	(485)	(394)
Interest and late payment fines	(63)	(91)	(68)	(110)
Other financial expenses	(363)	(789)	(435)	(874)
Income tax on payment in foreign currency	(328)	(136)	(328)	(139)
	-	-	-	-
Charges on loans - Bakmoon	-	(128)	-	(128)
Charges on loans - TPI	-	(128)	-	(128)
Advisory services	(265)	(319)	(265)	(319)
	<b>(85,024)</b>	(50,550)	<b>(85,156)</b>	(51,190)